

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.rane.co.in

CIN : L35999TN1936PLC002202

Rane Holdings Limited



RHL / SE / 2016-17

June 8, 2016

From

Rane Group companies	BSE : Scrip code	NSE : Stock code
Rane Holdings Limited	505800	RANEHOLDIN
Rane (Madras) Limited	532661	RML
Rane Brake Lining Limited	532987	RBL
Rane Engine Valve Limited	532988	RANEENGINE

To

Corporate Relationship Department, BSE Limited (BSE) 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Listing Department National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No.C/1, 'G' Block, Bandra Kurla Complex Bandra (E), Mumbai 400 051
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Dear Sir / Madam,

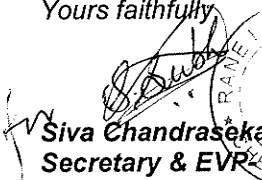
Sub : Revised Presentation

Ref : Our letter dated June 8, 2016 – reg. Rane Group annual analyst meet

We enclose a copy of the revised presentation file dated June 9, 2016.

Kindly take the above on record and acknowledge receipt.

Thanking you.
Yours faithfully


Siva Chandrasekaran
Secretary & EVP - Secretarial & Legal (Rane Group)

Encl: Presentation to Analysts (PDF – Dt. June 9, 2016 & no. of slides / pages: 82)



Expanding Horizons

Rane Group

Analyst Meet - 2016



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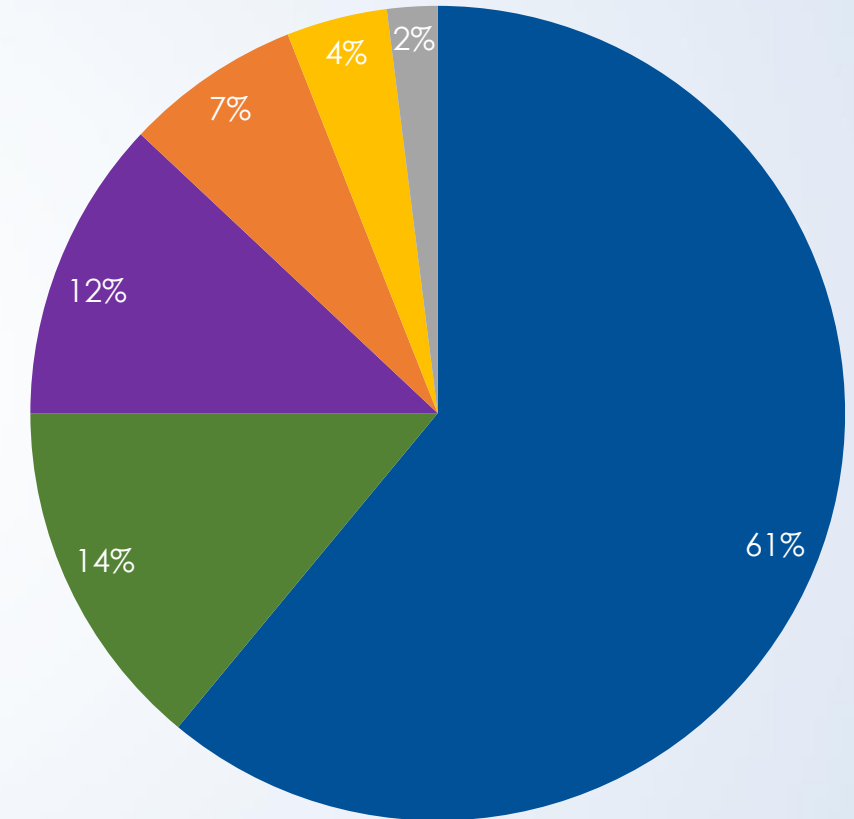
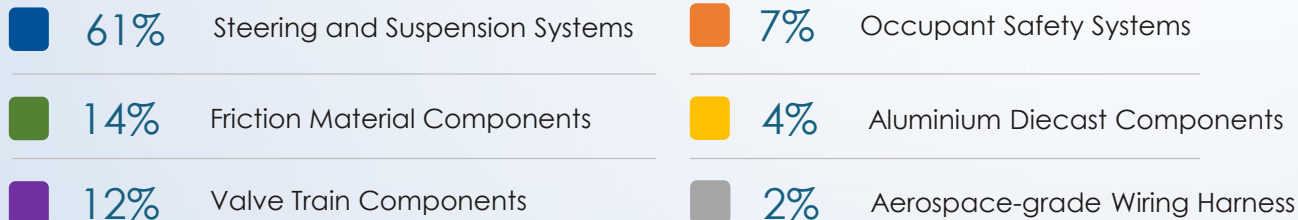
www.rane.co.in



› Overview

- › Industry Performance Review
- › Rane Group Performance Review
- › Group Companies
 - Operational Review
 - Financial Performance Review of 2015-16
 - Outlook
- › Strategy Review & Outlook

- › Founded in 1929; Headquartered in Chennai, India
- › Group Sales of **INR 3,610 Cr** (~USD 550 mn)
- › Most preferred manufacturer and supplier for global auto majors
- › Serves a variety of industry segments: Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationary Engines
- › Manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Aerospace-grade Wiring harnesses



**Revenue by
Products**

Group Net Sales in 2015-16:

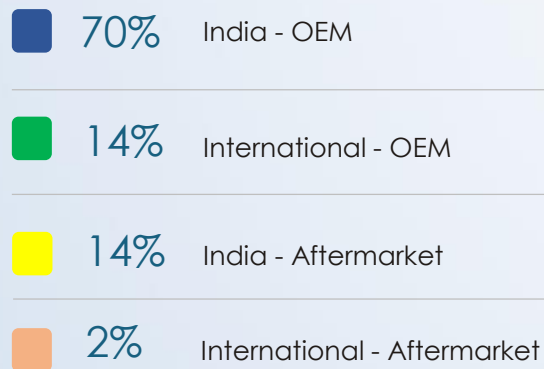
INR 3,260 Cr

(~USD 498 mn)

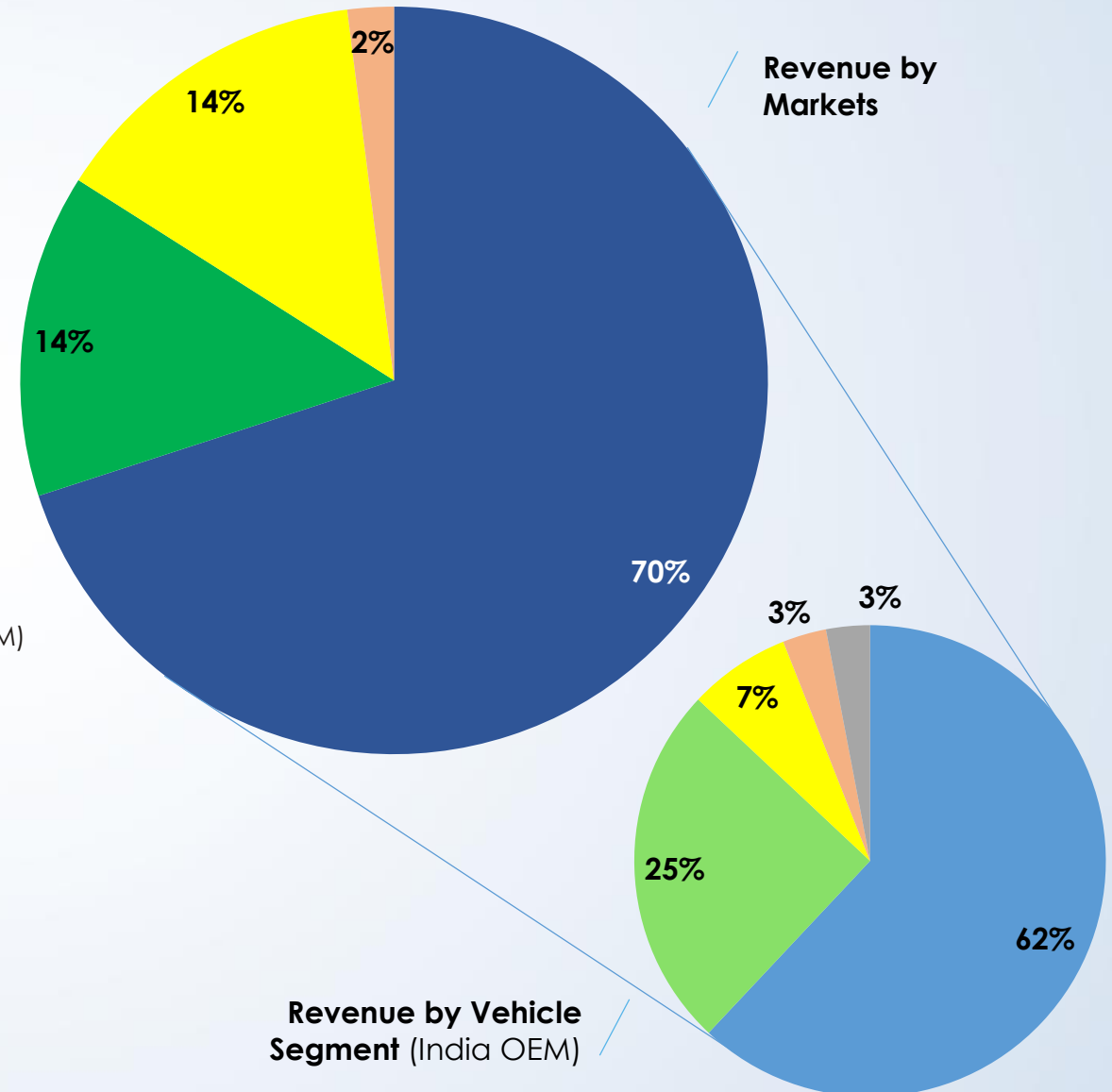
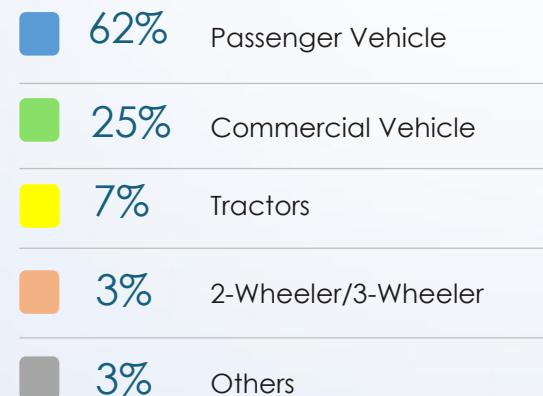
with **16%** from International markets

12% growth over last year; **12%** CAGR over last **10 years**

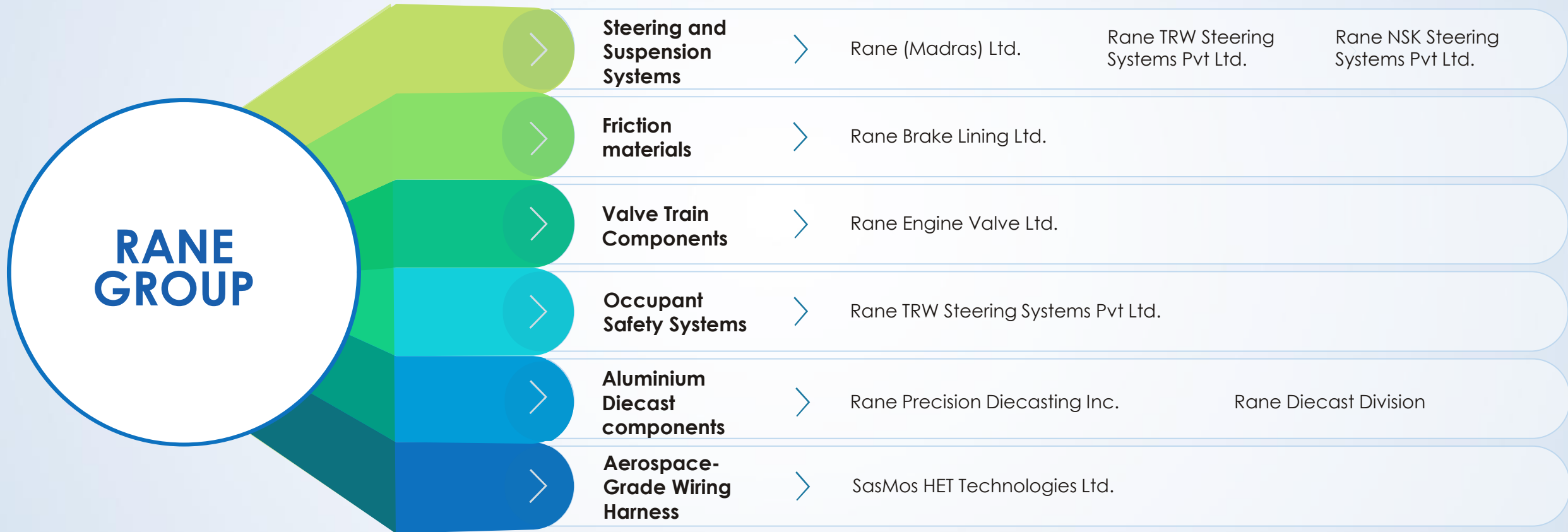
Revenue by Markets



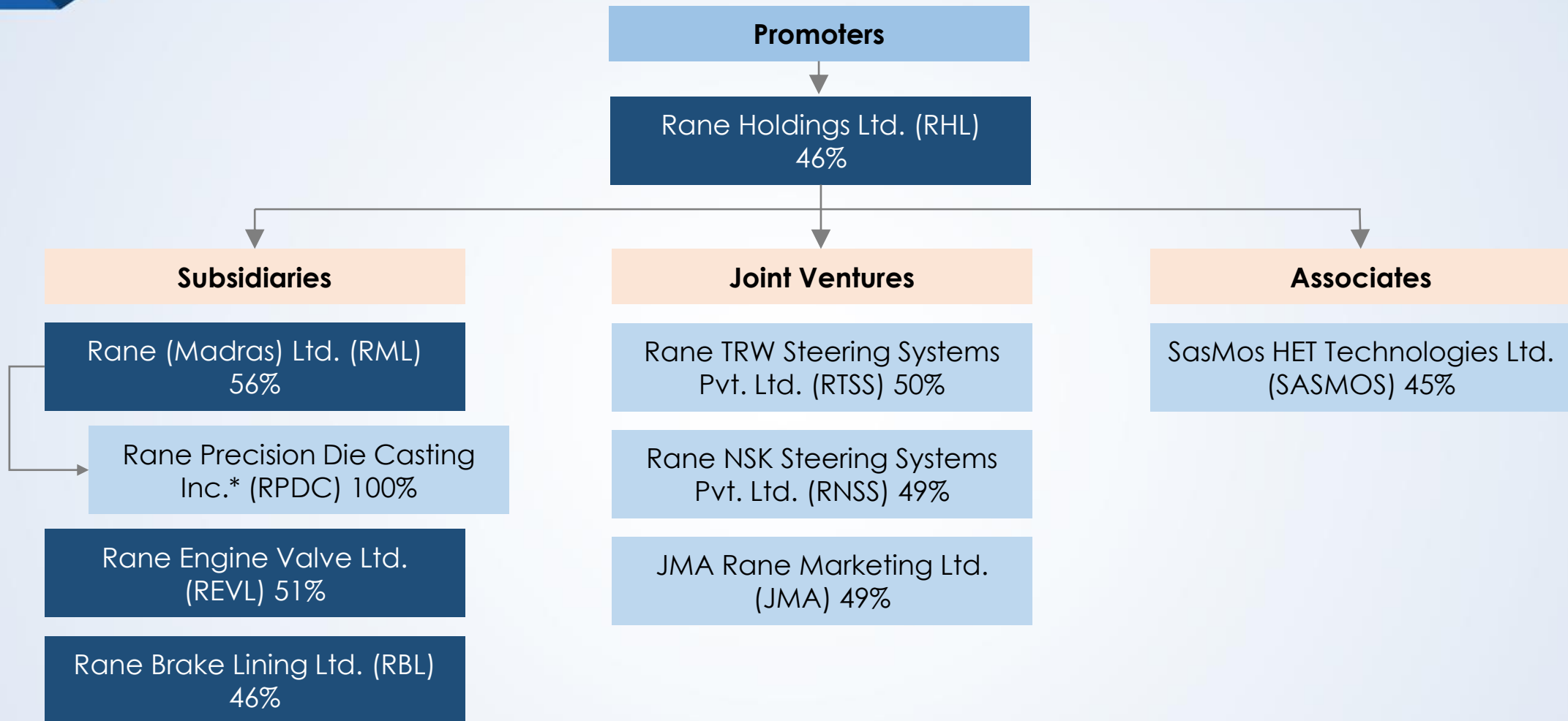
Revenue by Vehicle Segment (India OEM)



Rane Group – Business Structure



Rane Group – Holding Structure



* In FY 16, Rane (Madras) Ltd. acquired Rane Precision Die Casting Inc., the US based aluminium die castings company through its Wholly Owned Subsidiary Rane (Madras) International Holdings B.V, The Netherlands.

 **Listed**

Share holding as on 31 May 2016

- › Overview

- › **Industry Performance Review**

- › Rane Group Performance Review

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- Outlook

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Industry Performance Review (2015-16)

Vehicle Segment	Production YoY Growth [#] in %	Rane Group Sales Growth in % (India OEM)	Rane Group Revenue Split *
Passenger Cars (PC)	4%	15%	43%
Utility Vehicles (MUV)	14%	17%	17%
Vans (MPV)	6%	-5%	2%
Small Commercial Vehicles (SCV)	-10%	-1%	2%
Light Commercial Vehicles (LCV)	10%	15%	7%
Medium & Heavy Commercial Vehicles (M&HCV)	27%	22%	16%
3-Wheeler	-2%	-4%	0.1%
2-Wheeler	2%	-8%	3%
Farm Tractors (FT)	-7%	4%	7%
Overall	2.3%	13%	

* Negligible presence in 3-wheeler. Other segments such as Rail, Stationary Engines, Aerospace & Defence contribute 3%

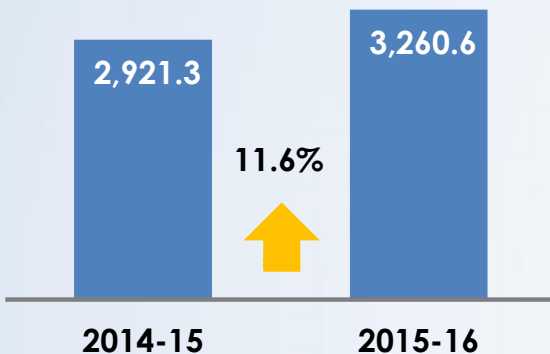
- › Registered superior growth in passenger car segment as we commenced supplies to certain new customer programs
- › Good growth in commercial vehicle segment however faced headwinds in specific friction material and suspension products
- › Navigated challenging environment in Farm Tractors segment with new product applications and customer wins
- › Our limited presence in the Scooter segment is attributed to sales decline in 2-Wheeler segment

[#] Source: SIAM

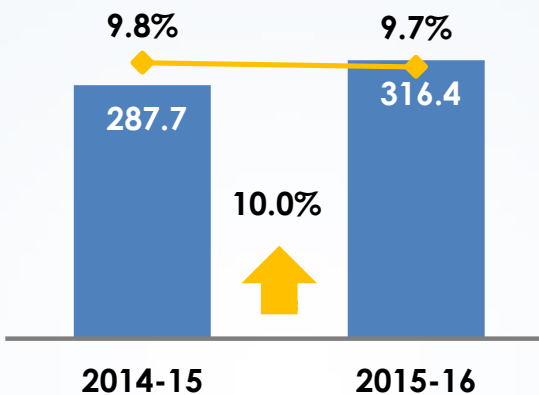
- › Overview
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- › **Rane Group Performance Review**
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Group Performance Review

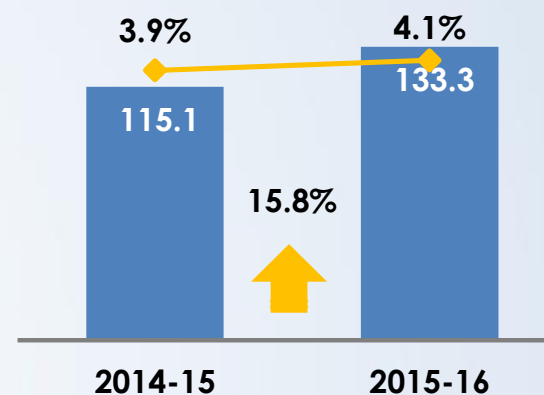
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



PBT*



* PBT before exceptional items

› **Net Sales increased by 11.6% to Rs 3,260.6 Cr in 2015-16 from Rs 2,921.3 Cr in 2014-15**

- India sales grew 12% helped by robust demand in passenger vehicle and commercial vehicle segments
- International sales grew 10% due to higher sales in the US market

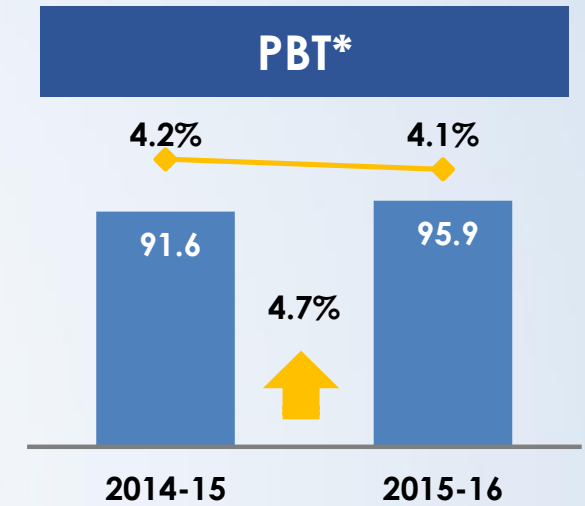
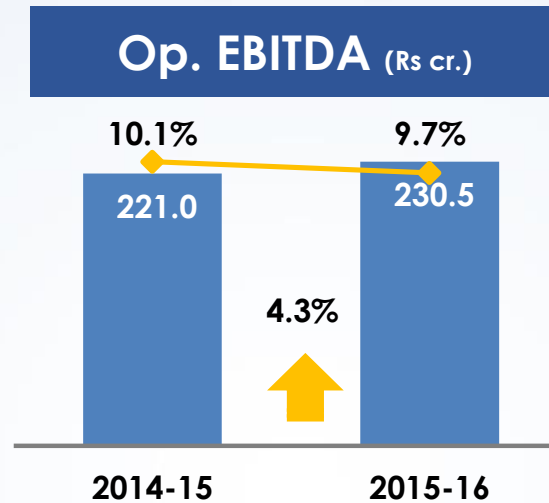
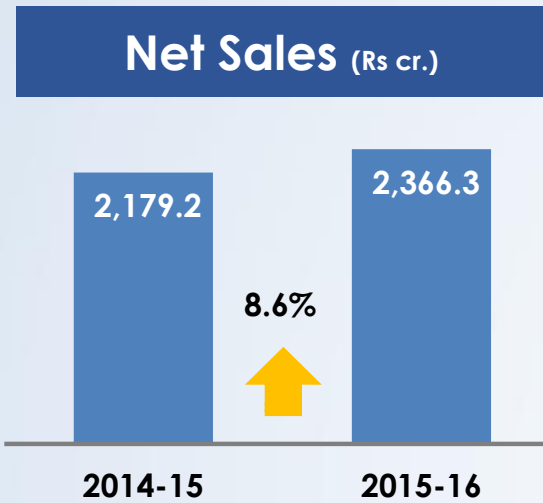
› **Op. EBITDA increased by 10.0% to Rs 316.4 Cr in 2015-16 from Rs 287.7 Cr in 2014-15**

- EBITDA Margin declined due to significant drop in REVL's profitability

› **PBT increased by 15.8% to Rs 133.3 Cr in 2015-16 from Rs 115.1 Cr in 2014-15**

- Lower finance cost resulted in improvement of PBT margin

RHL Consolidated Performance Review



* PBT before exceptional items

- › Net Sales increased by 8.6% to Rs 2,366.3 Cr in 2015-16 from Rs 2,179.2 Cr in 2014-15
- › Op. EBITDA increased by 4.3% to Rs 230.5 Cr in 2015-16 from Rs 221.0 Cr in 2014-15
- › PBT increased by 4.7% to Rs 95.9 Cr in 2015-16 from Rs 91.6 Cr in 2014-15

- › Overview
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- › Rane Group Performance Review

- › **Group Companies**

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Rane (Madras) Ltd.

(RML)

Market Environment

- › Farm Tractors market experienced second consecutive year of decline
- › Seeing strong demand from global Tier-1 suppliers

Operational Highlights

- › State-of-the-art R&D facility in Puducherry helped to design, develop and validate new products meeting global customer requirements
 - Developing a proto shop for product development for Rack and Pinion products
- › Enhanced our Mysuru plant to become a systems solution provider in Hydraulic systems
- › Successfully commissioned second die-casting plant in Hyderabad
 - Commenced operations by producing products for new programs to meet customer demands in the North American and Europe region and a ramp up of volumes is expected from this plant in 2016-17



Rane (Madras)

CUSTOMER

CATEGORY

› **Maruti Suzuki**

Design & Development Award

› **Renault Nissan**

Design to Cost Award

› **Polaris**

Quality Achievement Award

Acquisition of Precision Die Casting (1/2)

Profile of Precision Die Casting (PDC)

- › Supplier of low porosity high-quality aluminium die castings for the North American automotive market
- › Products: Steering Housing, Compressor Housing.
- › Key Customers: Delphi, JTEKT, TRW, Nexteer.
- › Facility: 255,000 sq ft manufacturing facility in Kentucky
- › Employees: 175 people
- › PDC has an annual turnover of about \$29 million

Product Portfolio

Steering Components	EPS housing, Rack housing, Pinion housing, Assist cover, Controller cover, Outboard housing, Mounting brackets
Compressor Components	Cylinder housing, front and rear housing
Other Products	EGR valve housing, Fuel filter housing, Water pump housing

Transaction

- › Acquired PDC through WOS Rane (Madras) International Holdings B.V. (RMIH)
- › The enterprise valuation of PDC is \$8.9 million
- › Invested \$2 million as equity to improve operations and turnaround the business. Further investments planned over next few years

Background and Rationale

- › Growing demand for aluminium castings driven by light-weighting of cars and US customers indicating preference for local supplies on aluminium die casting for safety critical parts
- › First manufacturing footprint in North America
 - Customers have been suggesting a facility closer to them
- › A greenfield project of equivalent capacity of PDC would require a much higher investment and lead time
- › PDC's financial position has been declining owing to operational issues: high scrap and machine downtimes
 - Rane's experience and expertise will provide opportunity to turnaround the business

Outlook

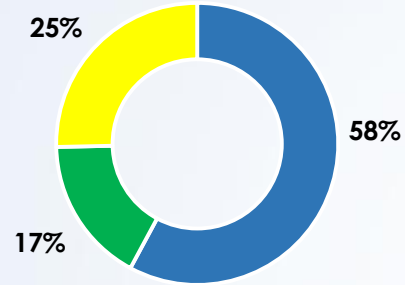
- › Focus on building the operational efficiency and deliver on the healthy order book
 - PDC will be operated as independent entity
 - Rane Group will provide necessary support in terms of marketing/franchise building, technical support (engineering expertise)

RML: Sales Summary

FY: 2015-16

By Market

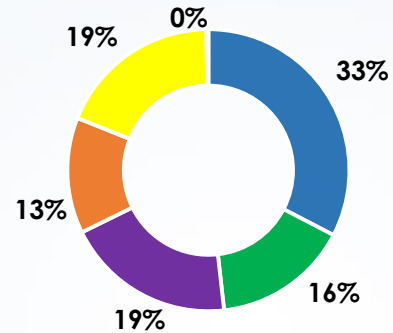
- India - OEM & OES
- India - Aftermarket
- International - OEM



Net Sales: Rs 856.8 Cr.

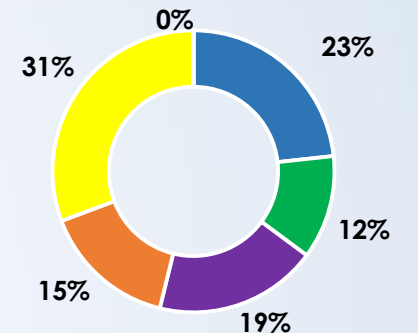
By Customer Segment

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- Tractors
- Others



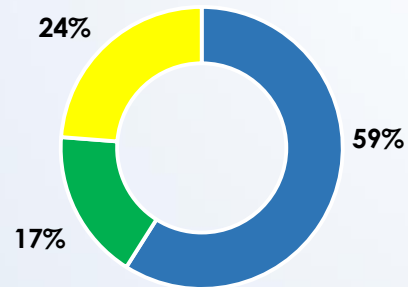
Net Sales: Rs 856.8 Cr.

Sales to Domestic OEM: Rs 443.4 Cr.



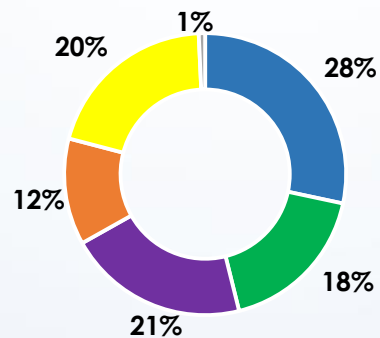
FY: 2014-15

- India - OEM & OES
- India - Aftermarket
- International - OEM



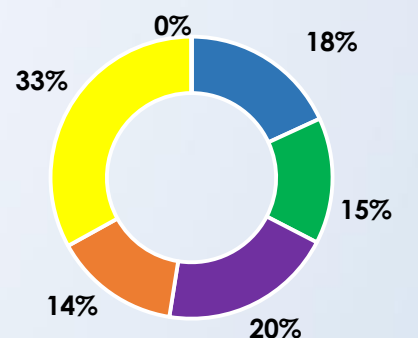
Net Sales: Rs 755.3 Cr.

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- Tractors
- Others



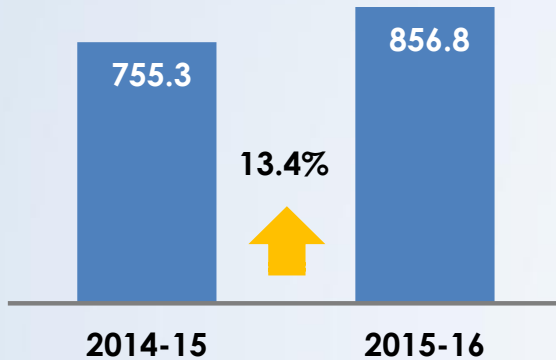
Net Sales: Rs 755.3 Cr.

Sales to Domestic OEM: Rs 401.4 Cr.

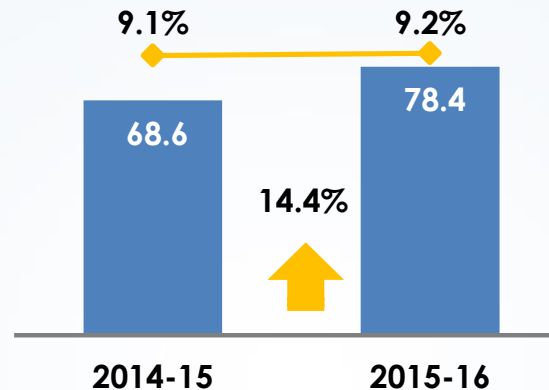


RML (Consolidated) – Financial Performance Review

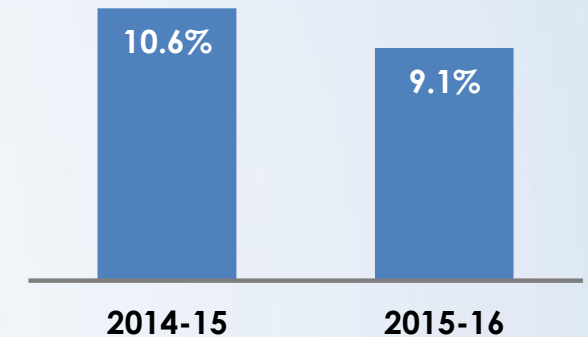
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 13.4% to Rs 856.8 Cr in 2015-16 from Rs 755.3 Cr in 2014-15**

- 11% growth in India sales and 21% growth in International business
- Steering and linkages business grew with strong demand from new customer programs in passenger vehicle segment
- Die-casting business saw headwinds in specific product portfolio catering to US customer

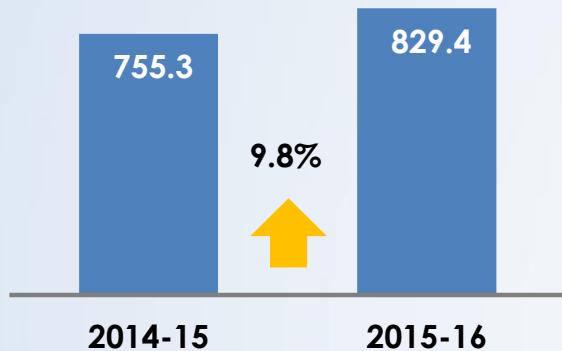
› **Op. EBITDA increased by 14.4% to Rs 78.4 Cr in 2015-16 from Rs 68.6 Cr in 2014-15**

- Faced inflationary pressure on labour and power cost
- Initiated various cost reduction projects to mitigate cost pressure and to improve the profitability

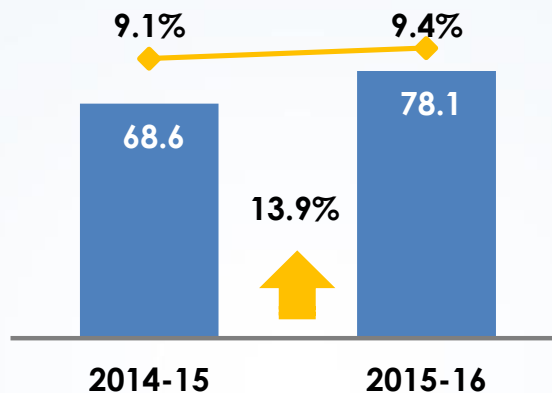
› **ROCE declined due to Capex investments on the new die-casting plant at Hyderabad**

RML (Standalone) – Financial Performance Review

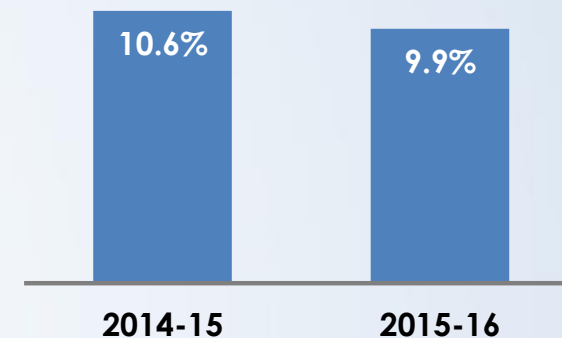
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



- › Net Sales increased by 9.8% to Rs 829.4 Cr in 2015-16 from Rs 755.3 Cr in 2014-15
- › Op. EBITDA increased by 13.9% to Rs 78.1 Cr in 2015-16 from Rs 68.6 Cr in 2014-15
- › ROCE marginally declined from 10.6% in 2014-15 to 9.9% in 2015-16

Priorities

- › **Domestic-OEM:** Achieve growth through the new business in passenger car segment and hydraulics products
- › **Domestic-Aftermarket:** Continue to introduce new products and expand the product range
- › **International:**
 - Pursue new customers for steering gears and achieve breakthrough in ball joints
 - Expand the die-casting portfolio to Europe

The Company plans Capex of Rs. 275 Cr, achieve CAGR of 27% in Sales and ROCE of 20% by 2018-19

Rane Engine Valve Ltd.

(REVL)

Market Environment

- › Modest growth in Two-wheeler segment
- › Structural decline in the Aftermarket demand for Engine parts
- › Large Valve business was affected by slowdown in Oil & Gas sector

Operational Highlights

- › Rationalization of facilities: Consolidated the Peenya Plant with Tumkur Plant
- › Voluntary Retirement scheme (VRS) rolled out in Peenya and Medchal plants
- › Took various measures with focus on long term improvements in productivity and reduction of raw material /in-house quality costs
- › Significant ramp up of supplies to BMW, Europe during the year
- › New business won from M&M, Renault (Exports), Volvo
- › Developed Valves for Euro 6 and CNG applications for European and Indian customers



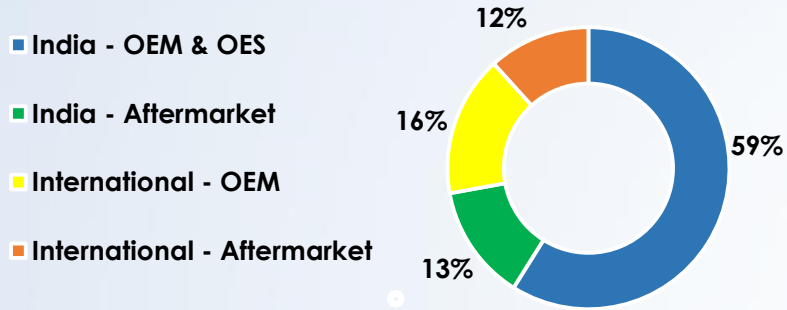
Rane Engine Valve

CUSTOMER	CATEGORY
› Renault Nissan	Special Contribution Award
› Honda Motorcycle	Outstanding Contribution
› Hyundai	Appreciation Award

REVL: Sales Summary

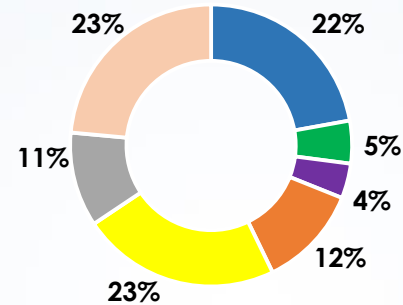
FY: 2015-16

By Market

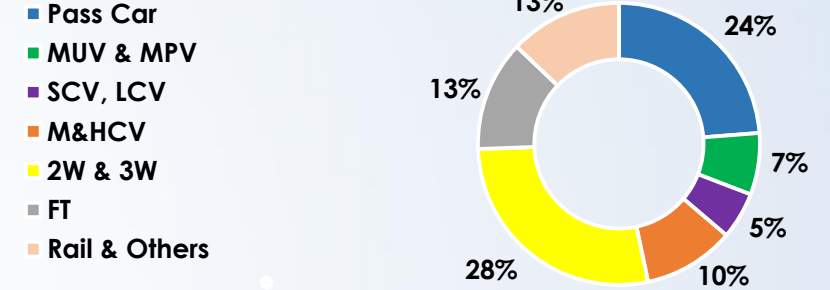


Net Sales: Rs 342.4 Cr.

By Customer Segment

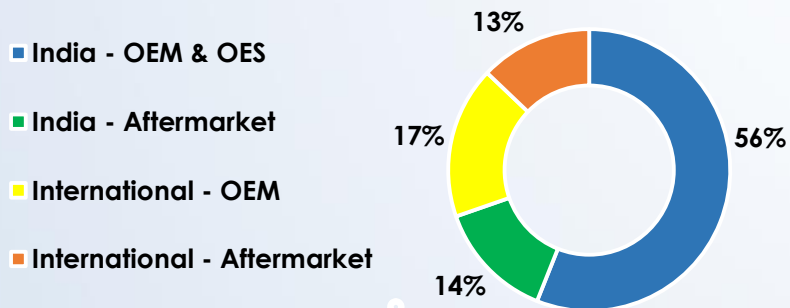


Net Sales: Rs 342.4 Cr.

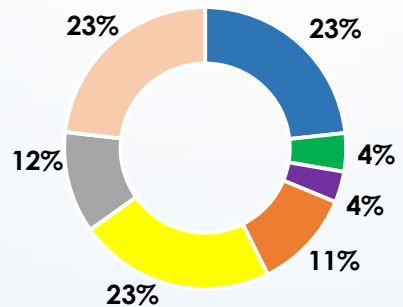


Sales to Domestic OEM: Rs 186.8 Cr.

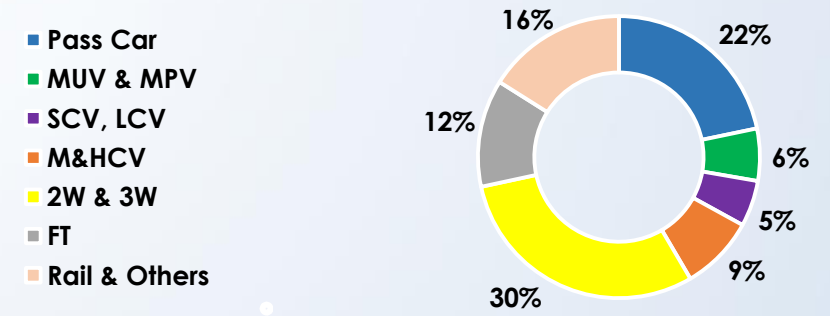
FY: 2014-15



Net Sales: Rs 387.6 Cr.



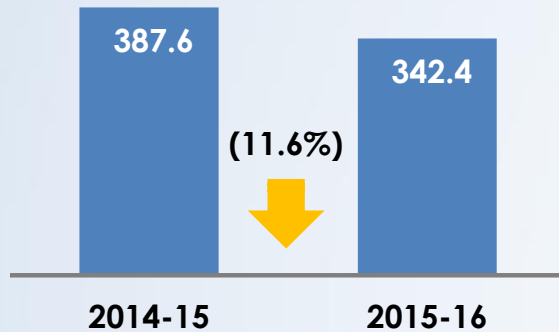
Net Sales: Rs 387.6 Cr.



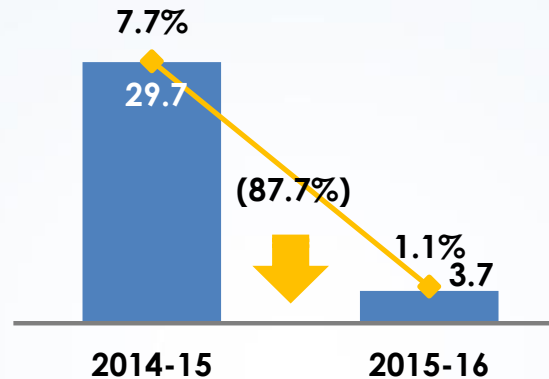
Sales to Domestic OEM: Rs 199.8 Cr.

REVL – Financial Performance Review

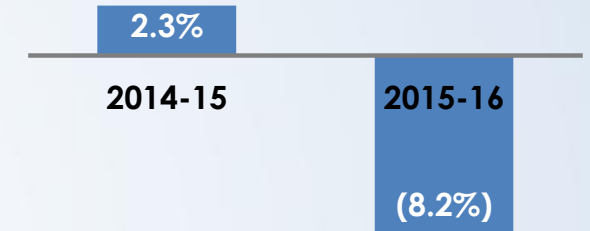
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



› **Net Sales decreased by 11.6% to Rs 342.4 Cr in 2015-16 from Rs 387.6 Cr in 2014-15**

- International sales declined by 19% due to end of major program of a European customer in 2014-15 which is partially offset by supplies to new export business in the current year
- Lower demand for large valves from Oil & Gas segment also impacted the export sales in Large valve business
- India sales declined by 8% due to lower offtake in served models in passenger cars and limited presence in Scooter segment, which grew faster than motorcycles in Two-wheeler

› **Op. EBITDA decreased by 87.7% to Rs 3.7 Cr in 2015-16 from Rs 29.7 Cr in 2014-15**

- Higher employee cost and lower capacity utilization
- Higher internal rejections on NPD parts and plant rationalization cost

› **ROCE declined steeply due to drop in profitability**

Priorities

- › Restructuring the organisation – reducing rejections, improving productivity and capacity utilisation
- › Enhancing presence with key European customer with new business and capacity ramp up
- › Focus on 2-wheeler segment, successfully launch new programs
- › Developing high performance materials and special surface coating to provide superior products meeting newer emission norms and engines requirements in various served markets
- › Launch of new product technologies for automotive segment and building extra-large valve capability for non-automotive applications

The Company plans to achieve growth of 14% in Sales and Capex of Rs 23 Cr for 2016 -17

Rane Brake Lining Ltd.

(RBL)

Market Environment

- › Strong growth in passenger vehicle and two wheeler driven by specific customer programs
- › Renewed competition in Aftermarket segment

Operational Highlights

- › Trichy, Chennai and Hyderabad plants continued to maintain global bench marks in quality standards
- › Special drive on cost reduction initiatives and continued efforts on Energy saving initiatives helped to mitigate overall costs
- › To strengthen best practices and continue our excellence journey, 'Business Excellence Model' put in place
- › Customer focus and adoption of best practices across all locations helped RBL win several awards
 - Two gold awards – National level convention at Pune by ACMA – Quality and Innovation categories
 - Gold certificate from India Manufacturing Excellence Award conducted by The Economic Times
 - Award for Energy Excellence from CII for best energy efficient unit



Rane Brake Lining

CUSTOMER

› **Brakes India**

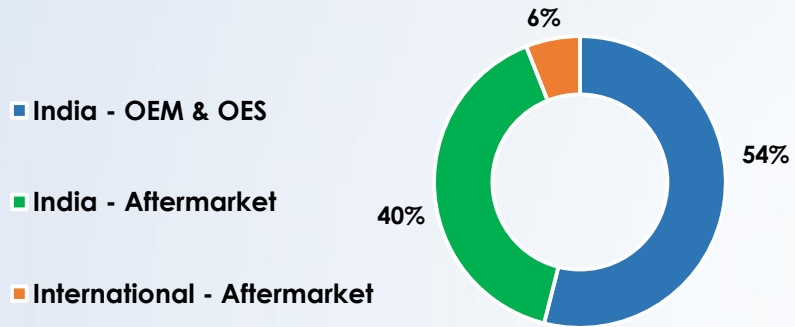
CATEGORY

Consistent Quality and
New Parts Development

RBL: Sales Summary

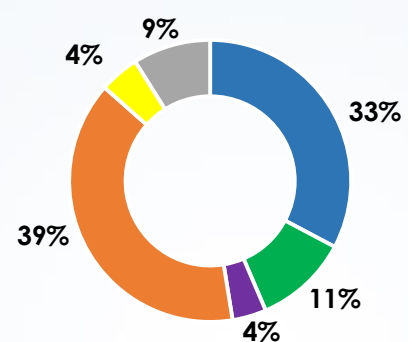
FY: 2015-16

By Market



Net Sales: Rs 447.9 Cr.

By Customer Segment

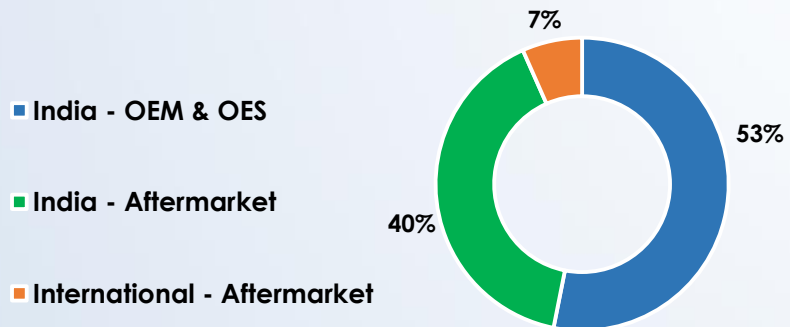


Net Sales: Rs 447.9 Cr.

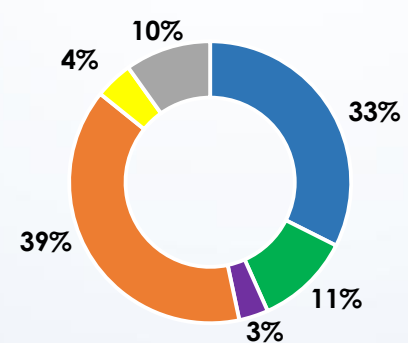


Sales to Domestic OEM: Rs 237.1 Cr.

FY: 2014-15



Net Sales: Rs 415.9 Cr.



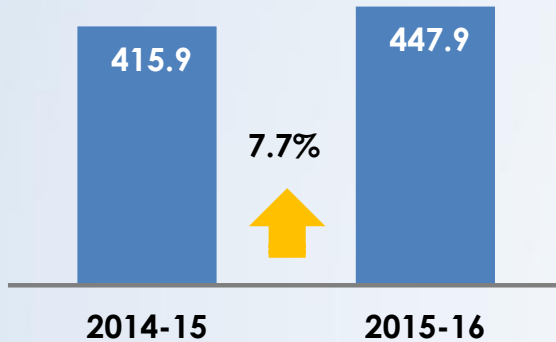
Net Sales: Rs 415.9 Cr.



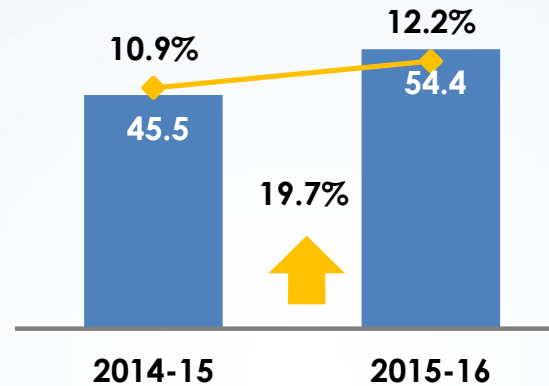
Sales to Domestic OEM: Rs 212.6 Cr.

RBL – Financial Performance Review

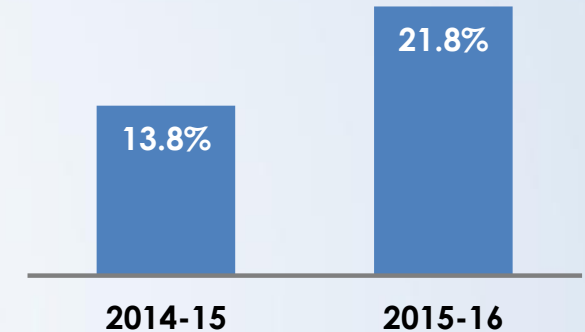
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 7.7% to Rs 447.9 Cr in 2015-16 from Rs 415.9 Cr in 2014-15**

- Good growth in the OE segment on the back of new business in passenger car and two wheeler segment
- Navigated challenging time in Aftermarket segment with introduction of new products
- New products generated 12% (Rs. 52.04 crores) of the revenues

› **Op. EBITDA increased by 19.7% to Rs 54.4 Cr in 2015-16 from Rs 45.5 Cr in 2014-15**

- Favourable material cost trend due to weakening yen and softening commodity / crude prices
- Sustained cost savings initiatives and manufacturing process improvements in the shop floor

› **ROCE increased from 13.8% in 2014-15 to 21.8% in 2015-16, driven by improved profitability and lower borrowings**

Priorities

- › Cost effective product development consisting of both NAO and Low Steel
- › Continued focus on Cost reduction initiatives – Materials and Energy
- › Focus on Export business through enhanced technology collaboration with Nisshinbo and TMD

The Company plans Capex of Rs.100 Cr, achieve CAGR of 16% in Sales and ROCE of 25% by 2018-19

Rane TRW Steering Systems Pvt. Ltd.

(RTSS)

Market Environment

- › Strong demand from Commercial Vehicle segment particularly M&HCV
- › Mixed bag from Passenger vehicle market
 - Faster adoption of Airbag is positive
 - Structural shift from HPS to EPS restricts available market

Operational Highlights

- › Entered Tractor and Small Commercial Market Segment with supply of Miniature RCB Steering system
- › Inaugurated Airbag Plant in August 2015
- › Upgraded Airbags test lab and commissioned new line for seat belt (Next Gen SPR 4.1)
- › Won new business from European OEMs in Seat Belt and Air Bag Business in UV and PC segments



Rane TRW Steering Systems

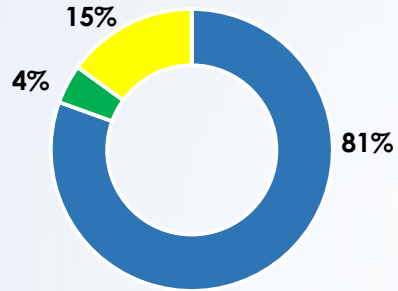
CUSTOMER	CATEGORY
› Tata Motors	Recognition of Long Association

RTSS: Sales Summary

FY: 2015-16

By Market

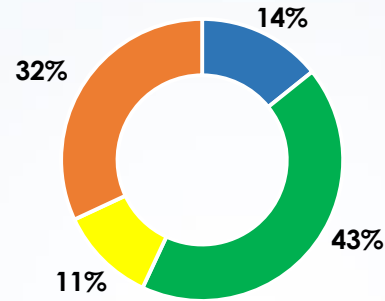
- India - OEM & OES
- India - Aftermarket
- International - OEM



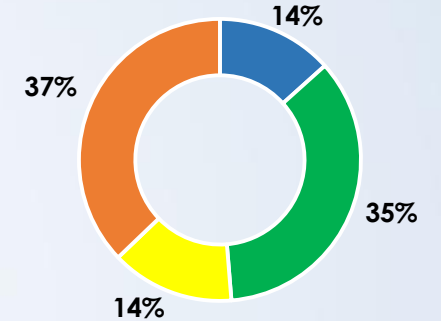
Net Sales: Rs 706.8 Cr.

By Customer Segment

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV



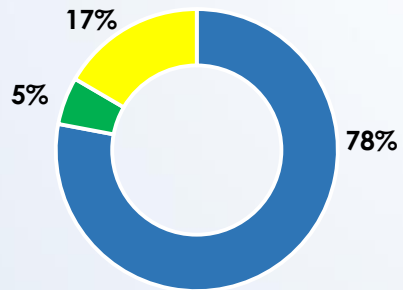
Net Sales: Rs 706.8 Cr.



Sales to Domestic OEM: Rs 555.4 Cr.

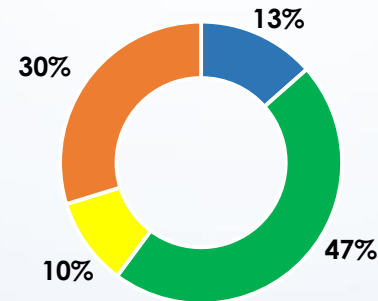
FY: 2014-15

- India - OEM & OES
- India - Aftermarket
- International - OEM

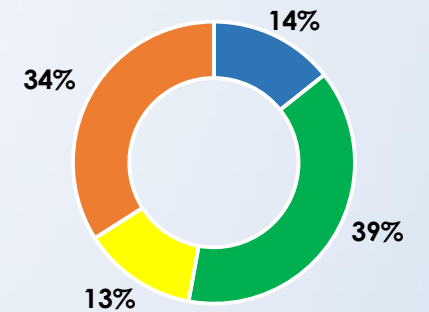


Net Sales: Rs 625.9 Cr.

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV



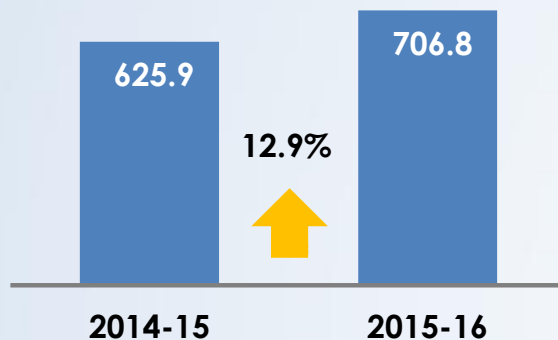
Net Sales: Rs 625.9 Cr.



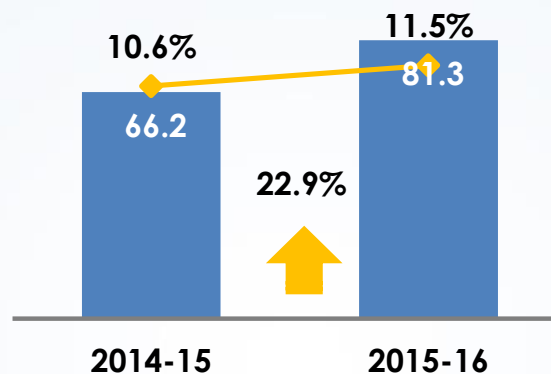
Sales to Domestic OEM: Rs 473.2 Cr.

RTSS – Financial Performance Review

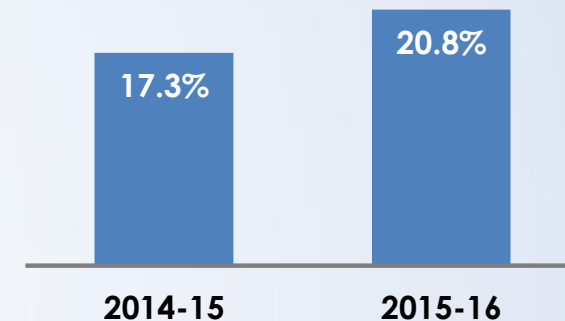
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 12.9% to Rs 706.8 Cr in 2015-16 from Rs 625.9 Cr in 2014-15**

- Growth driven by strong performance of M&HCV segment, higher adoption of airbags
- Preference of EPS over HPS in Passenger Vehicle segment dented growth

› **Op. EBITDA increased by 22.9% to Rs 81.3 Cr in 2015-16 from Rs 66.2 Cr in 2014-15**

- Implementation of cost saving initiatives to reduce material cost and stringent fixed cost management helped margin improvement

› **ROCE increased from 17.3% in 2014-15 to 20.8% in 2015-16, driven by improved profitability**

Priorities

- › Expanding the business in tractor and small commercial vehicle segment
- › Exploring new export business opportunity with M&M & ISUZU for supply of Variable displacement pump
- › Exploring new business opportunity with ZF TRW for EV Pumps
- › Targeting new business from European OEMs in Seat Belt and Air Bag business in UV and PC segments

The Company plans Capex of Rs. 130 Cr, achieve CAGR of 17% in Sales and ROCE of 25% by 2018-19

Rane NSK Steering Systems Pvt. Ltd.

(RNSS)

Market Environment

- › Strong demand from Passenger Vehicle customers for EPS
- › Growth in Commercial Vehicle segment supported MSC volumes
 - New product introductions supports growth

Operational Highlights

- › Secured new businesses worth Rs 508.7Cr (at peak potential volume) during the year
- › Successfully developed several new technology features through co-development with customers for application in future businesses
- › Successfully put into operations additional processes and increased localisation in the EPS business
- › Key initiatives on MSC business helped achieving positive results



Rane NSK Steering Systems

CUSTOMER

CATEGORY

› **Volvo Eicher C.V.**

Recognition of Long Association

› **Toyota**

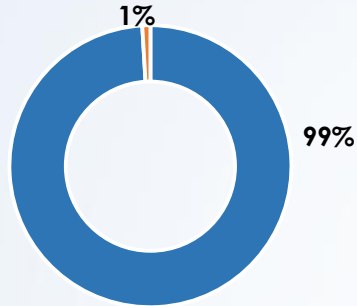
Achieving targets in the category of Delivery

RNSS: Sales Summary

FY: 2015-16

By Market

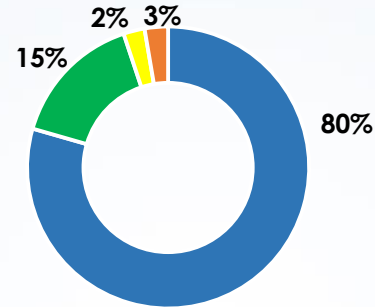
- India - OEM & OES
- International - OEM



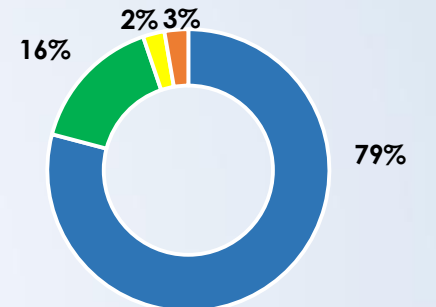
Net Sales: Rs 766.4 Cr.

By Customer Segment

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV



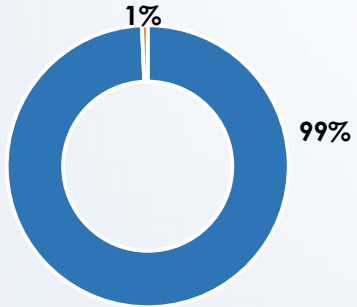
Net Sales: Rs 766.4 Cr.



Sales to Domestic OEM: Rs 753.8 Cr.

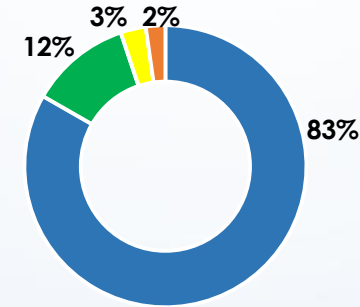
FY: 2014-15

- India - OEM & OES
- International - OEM

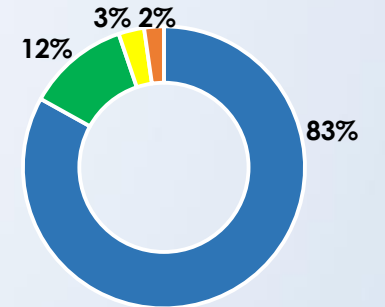


Net Sales: Rs 623.0 Cr.

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV



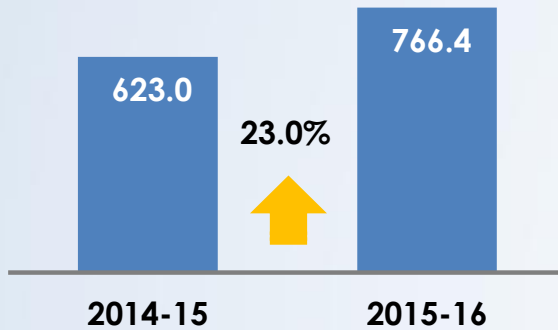
Net Sales: Rs 623.0 Cr.



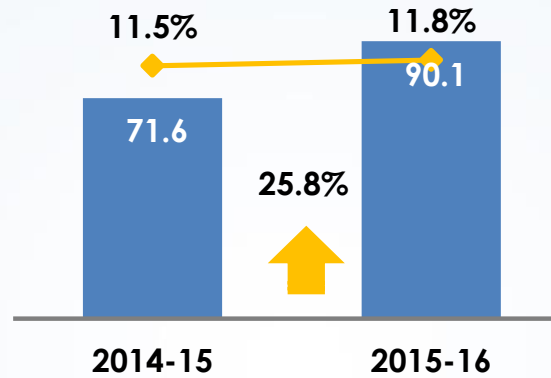
Sales to Domestic OEM: Rs 615.5 Cr.

RNSS – Financial Performance Review

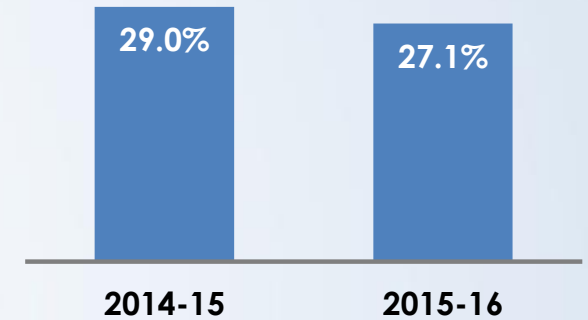
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 23.0% to Rs 766.4 Cr in 2015-16 from Rs 623.0 Cr in 2014-15**

- The Company saw a double digits volume growth in both segments – EPS by 14% and MSC by 11%.
- New products accounted for 16% of total sales; Launched four new products in EPS business contributing Rs. 119.2 Cr

› **Op. EBITDA increased by 25.8% to Rs 90.1Cr in 2015-16 from Rs 71.6 Cr in 2014-15**

- Favourable material cost helped to improve EBITDA margin

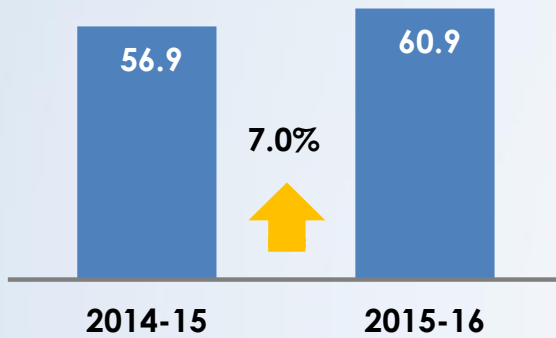
› **Higher capex for new customer programs resulted in decline in ROCE**

Priorities

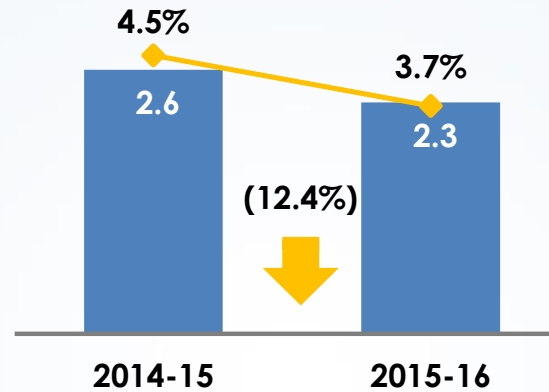
- › Successfully launch new products (secured in FY 15-16) for Maruti Suzuki
- › Increase localization of parts and processes in EPS Business
- › Strengthen local talent in EPS business – quality, production and manufacturing engineering
- › Realisation of key re-sourcing opportunities from Daimler HDT and TATA Motors LCV/HCV platforms for MSC business
- › Enhance design capability in MSC and identify innovative cost reduction ideas through dedicated Advance Engineering function

The Company plans Capex of Rs. 150 Cr, achieve CAGR of 20% in Sales and ROCE of 30% by 2018-19

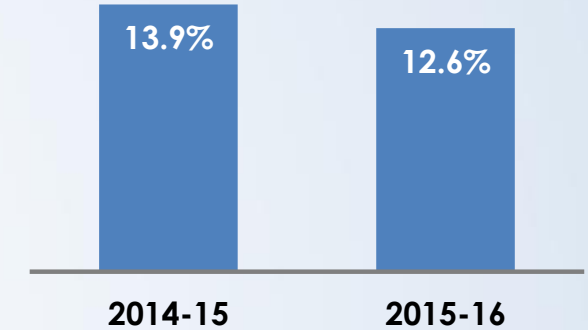
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



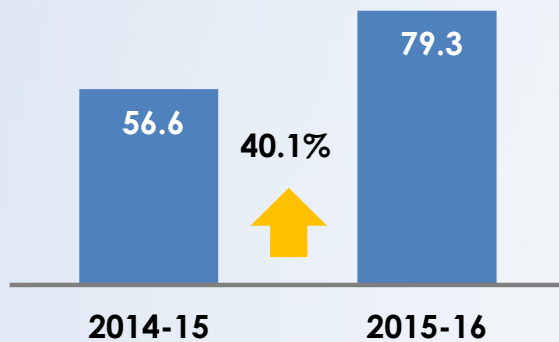
ROCE



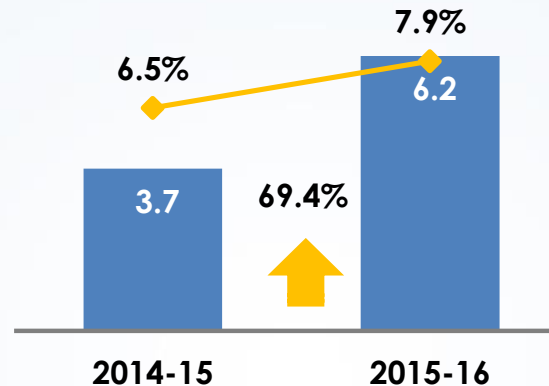
Operational Highlights

- › Sales increased by 7.0% to Rs. 60.9 Cr in 2015-16 from Rs. 56.9 Cr in 2014-15
- › Op. EBITDA decreased by 12.4% to Rs. 2.3 Cr in 2015-16 from Rs. 2.6 Crore in 2014-15
- › ROCE declined marginally from 13.9% in 2014-15 to 12.6% in 2015-16

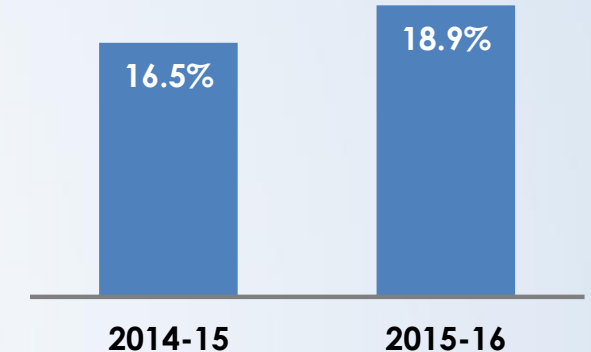
Net Sales (Rs cr.)



Op. EBITDA (Rs cr.)



ROCE



Operational Highlights

- › Established new line for producing Boeing F-15 panels
- › Commenced production of missile harnesses for MBDA, a renowned global OEM
- › Operational capacity increased to an average turnover of Rs.9.0 Cr / Month during Q4, by adding new production facility of 12,500 sq. ft.
- › The JV with Fokker Elmo i.e. Fokker Elmo SasMos Interconnection Systems Ltd (FESIL) became operational and posted a turnover of Rs. 6.69 Cr

- › Overview
- › Industry Performance Review
- › Rane Group Performance Review
- › Group Companies
 - Operational Review
 - Financial Performance Review of 2015-16
 - Outlook

› **Strategy Review & Outlook**

Accelerate Growth

- › New product introductions
- › Increase overseas share of business
- › Establish manufacturing facility closer to customer
- › Expand footprint in non-auto business (Aerospace & Defence)

Efficient Capital Management

- › Prioritise on products with higher ROCE
- › Improve operational efficiency
- › Optimise capex

- › Built strong in-house M&A team to scan newer segments and strategy team to recalibrate the initiatives
- › Reorganise systems and processes to focus on ROCE - (e.g., MIS, evaluation of new orders/RfPs, pricing policies, capex approvals)
- › Aligning HR Agenda with business goals and expand/strengthen leadership capability

Thank You



Rane Corporate Centre

"Maithri" 132, Cathedral Road,
Chennai - 600 086, India

www.rane.co.in

Appendix

Rane (Madras) Ltd.

(RML)

Profile

- › The Company manufactures steering & suspension linkage products, steering gear products and high precision aluminum Die Casting products
- › Holds 39% market share in Steering Gear Products (SGP), 72% market share (except PC segment) in Suspension & Steering Linkage Products (SSLP) in India
- › Increasing presence in the Hydraulic segment.
- › In FY 2015-16, The Company acquired Rane Precision Die Casting Inc., the US based supplier of low porosity high-quality aluminium die castings for the North American automotive market

Production Plants :

Has seven manufacturing facilities in the following locations

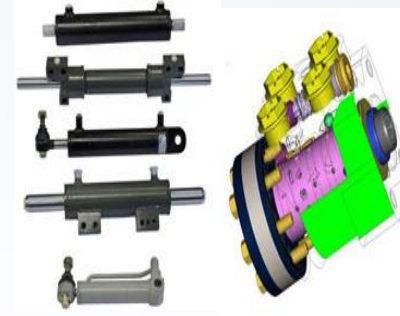
Location	Products	Customer Segments
Varanavasi (Chennai)	SSLP	Passenger Car, utility vehicle - mainly caters to international market
Mysore	SSLP, SGP & Hydraulic Products	Tractor, commercial vehicle segments, and hydraulic products
Puducherry	SSLP, SGP	Passenger car segment
Uttarakhand	SSLP, SGP	Tractors and small commercial vehicles catering to customers in North India
Hyderabad (2 Plants)	Die Casting Products	Passenger car segment, Medium and heavy commercial vehicle - mainly caters to international market.
Russellville, KY (USA)	Die Casting Products	North American automotive market



Re - Circulating Ball Type Steering Gears



Rack & Pinion Type Steering Gears



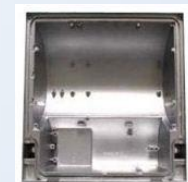
Hydraulic Products



Suspension Components



Steering Linkages



Diecasting products

RML: Major Customers



RML: Key Financials

Rs Cr	2012	2013	2014**	2015	2016*
Net Sales	657.2	624.3	709.8	755.3	856.8
% growth	14.4%	(5.0%)	13.7%	6.4%	13.4%
Op. EBITDA	60.6	56.4	68.3	68.6	78.4
% growth	35.7%	(7.0%)	21.1%	0.5%	14.4%
PBT Before Exceptional Items	37.4	30.1	29.1	20.0	20.0
Exceptional (Expenses) / Income	(0.2) [#]	-	(9.4) [#]	(3.2) [#]	(2.7) [#]
PBT	37.2	30.1	19.7	16.8	17.3
PAT	27.4	23.4	16.8	12.4	12.7
% growth	11.4%	(14.5%)	(28.3%)	(25.9%)	1.8%
Op. EBITDA%	9.2%	9.0%	9.6%	9.1%	9.2%
PAT%	4.2%	3.8%	2.4%	1.6%	1.5%

* Represents consolidated financials of RML including Rane Precision Die casting Inc.

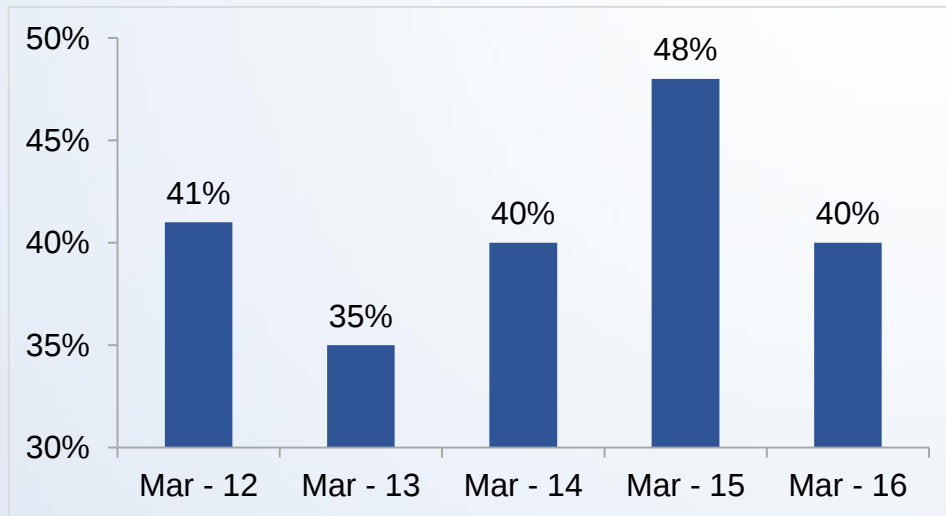
** Represents merged financials of RML including Rane Diecast Division

Amount paid to employees under VRS scheme

RML: Ratios and Return

	2012	2013	2014	2015	2016
Debt:Equity	1.00	0.79	1.25	1.49	2.23
RoCE%	23.7%	17.3%	15.8%	10.6%	9.1%
EPS (Rs.)	27.0	23.0	15.4	11.2	11.4
DPS (Rs.)	9.5	7.0	5.5	4.5	4.5
BV (Rs.)	113.2	128.0	133.4	138.4	144.2

Dividend Payout Ratio



Share Price Chart



Rane Engine Valve Ltd.

(REVL)

Profile

- › The Company manufactures engine valves, valve guides and tappets for automotive and non-automotive applications.
- › Products supplied by the company find application in passenger cars, commercial vehicles, farm tractors. Off Highway vehicles, Railways, Defence vehicles, Stationery Engines and Two/Three wheelers.
- › Reputed supplier of large & extra large valves with applications in power generation equipment, marine engines etc..
- › Major exporter of engine valves. Customers spread across Europe, North America, and the Far East markets
- › Is a preferred solution provider for customers. Backed up by a strong Product Engineering, Testing & validation capability.
- › Market leader in Domestic OEM business.
- › Well accepted brand “EVL” for the independent aftermarket in India.

Production Plants :

Has five manufacturing facilities in the following locations

Location	Products	Customer Segments
Ponneri (Chennai)	Engine Valves, Guides & Tappets	PC, M&HCV
Medchal (Hyderabad)	Engine Valves	SCV/LCV/M&HCV/Tractor
Aziz Nagar (Hyderabad)	Engine Valves	2W/PC
Trichy	Engine Valves	2W/PC/LCV/M&HCV
Tumkur	Engine Valves	M&HCV, Power Generation & Marine Engines



Large and Extra Large Engine Valves



Branded Products for Domestic Aftermarket -Piston Kits, Stem seals, Seat Inserts

REVL: Major Customers



REVL: Key Financials

Rs Cr	2012	2013	2014	2015*	2016*
Net Sales	302.2	254.7	259.1	387.6	342.4
% growth	5.7%	(15.7%)	1.8%	49.6%	(11.6%)
Op. EBITDA	40.7	8.3	30.9	29.7	3.7
% growth	6.7%	(79.5%)	269.9%	(3.9%)	(87.7%)
PBT Before Exceptional Items	16.5	(18.8)	(3.3)	(13.1)	(35.1)
Exceptional (Expenses) / Income	12.2	(0.1)	(40.3) ³	44.6 ²	17.5 ¹
PBT	28.7	(18.9)	(43.6)	31.5	(17.7)
PAT	20.8	(12.6)	(29.1)	23.5	(12.5)
% growth	92.3%	(160.7%)	(130.7%)	180.7%	(153.4%)
Op. EBITDA%	13.5%	3.3%	11.9%	7.7%	1.1%
PAT%	6.9%	(5.0%)	(11.2%)	6.1%	(3.7%)

* Represents merged financials of REVL including Kar Mobiles Division

¹ Includes Rs. 10.1 Cr of amount paid to employees under VRS scheme and profit on sale of land for Rs 27.5 Cr

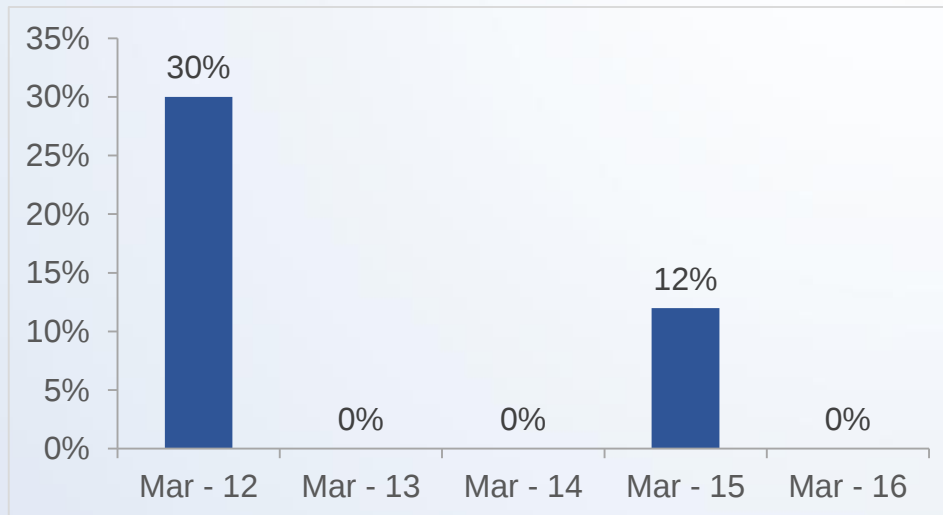
² Profit on sale of company's part land in Alandur, Chennai

³ Includes Rs. 40.8 Cr of amount paid to employees under VRS scheme

REVL: Ratios and Return

	2012	2013	2014	2015	2016
Debt:Equity	1.00	1.20	2.25	1.33	1.39
RoCE%	12.0%	(4.4%)	5.6%	2.3%	(8.2%)
EPS (Rs.)	40.3	(24.5)	(56.5)	34.9	(18.7)
DPS (Rs.)	10.5	0.0	0.0	2.5	0.0
BV (Rs.)	203.1	178.6	122.1	171.9	153.2

Dividend Payout Ratio



Share Price Chart



Rane Brake Lining Ltd.

(RBL)

Profile

- ➔ Manufacturing and marketing of safety critical friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks for passenger cars, utility vehicles, commercial vehicles, two wheelers and railways
- ➔ Technical collaboration with Nisshinbo Brakes Inc., Japan since 1985 and TMD since 2014
- ➔ Application in every segment of automobile industry such as PCV, MPV, MUV, UV, LCV and M&HCV, 2W/3W with a vision to be a global supplier
- ➔ Domestic Market Leadership with about 38% market share in OE, about 20% in Aftermarket and 13% in Railways
 - ▶ Leader in Passenger Car / Commercial Vehicle / Utility vehicles / Multi Purpose Vehicles
 - ▶ Leading supplier of composite brake blocks to Indian Railways, with presence in Passenger, Electrical Multiple Unit (EMU), Freight, Locomotive and Metro Rail
- ➔ Exports
 - ▶ Products supplied to various countries in Europe, SAARC, Middle East, Far East and Africa
 - ▶ Expanded to Congo and Morocco for CV

Production Plants :

Has four manufacturing facilities in the following locations

Location	Products	Customer Segment
Chennai	Automotive Products Railway Products Aerospace	Brake linings, disc pads and clutch facings Composite brake blocks Organic pads for trainer aircraft
Hyderabad	Automotive Products Railway products	Brake linings, clutch facings & sintered clutch buttons Compositive brake blocks
Puducherry	Automotive Products Railway Products	Disc pads, clutch facings & CV brake pads Composite brake blocks
Trichy	Automotive Products	Disc pads & brake linings



Brake Linings



Disc Pads



CV Brake Pads



Clutch Facings



**Sintered Brake
Pads**



Brake Shoe



**Composite Brake
Blocks**

RBL: Major Customers

Tier 1 Customers



IAM* and Exports



OE Customers (through TIER 1)



* Independent after market

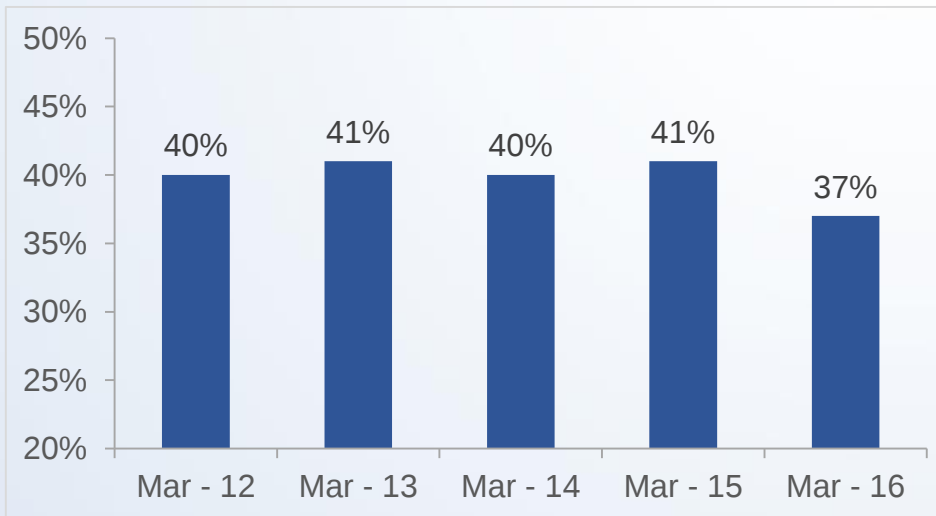
RBL: Key Financials

Rs Cr	2012	2013	2014	2015	2016
Net Sales	358.2	375.9	383.5	415.9	447.9
<i>% growth</i>	<i>17.6%</i>	<i>4.9%</i>	<i>2.0%</i>	<i>8.4%</i>	<i>7.7%</i>
Op. EBITDA	39.4	32.8	40.2	45.5	54.4
<i>% growth</i>	<i>15.9%</i>	<i>(16.7%)</i>	<i>22.5%</i>	<i>13.1%</i>	<i>19.7%</i>
PBT Before Exceptional Items	21.9	10.9	16.7	20.6	35.5
Exceptional (Expenses) / Income	-	-	-	-	-
PBT	21.9	10.9	16.7	20.6	35.5
PAT	16.2	9.1	17.2	16.1	25.8
<i>% growth</i>	<i>5.9%</i>	<i>(43.8%)</i>	<i>89.1%</i>	<i>(6.4%)</i>	<i>59.9%</i>
Op. EBITDA%	11.0%	8.7%	10.5%	10.9%	12.2%
PAT%	4.5%	2.4%	4.5%	3.9%	5.8%

RBL: Ratios and Return

	2012	2013	2014	2015	2016
Debt:Equity	0.87	0.88	0.72	0.42	0.20
RoCE%	16.4%	9.3%	12.1%	13.8%	21.8%
EPS (Rs.)	20.5	11.5	21.8	20.4	32.5
DPS (Rs.)	7.0	4.0	7.5	7.0	10.0
BV (Rs.)	122.0	128.9	141.8	153.8	174.3

Dividend Payout Ratio



Share Price Chart



Rane TRW Steering Systems Pvt. Ltd.

(RTSS)

Profile

- › The Company manufactures Hydraulic Steering Systems, Seat Belts and Air bags
- › RTSS has two divisions, Steering Gear Division (SGD) manufactures fully integrated hydraulic steering gears, hydraulic pumps, power-rack and pinion gear and power steering fluid. Occupant safety Division (OSD) manufactures safety seat belts, air bags and plastic reservoir.
- › Both divisions have joint venture partnership with TRW Automotive JV LLC, USA
- › Independent and comprehensive units to design, test, and manufacture complete range of power steering solutions and occupant safety systems
- › Established dominant share of business in Commercial Vehicle steering, Passenger Car steering, and Utility Vehicle segment
- › Preferred partner to Indian OE majors in Passenger Car, Multi Utility Vehicle, Light Commercial Vehicle, Medium and Heavy Commercial Vehicle categories
- › Occupant Safety Division serves Passenger Car, Commercial Vehicle and Utility segments

Market Share for the Year 2015-16	Mkt Share (%)
Commercial Vehicle Segment	49%
Utility Vehicle segment	28%
PC Segment	67%

Production Plants :

Has five manufacturing facilities in the following locations

Location	Products	Customer Segments
Viralimalai (Trichy)	Hydraulic Power Steering Gears	M&HCV, LCV, UV
Guduvanchery (Chennai)	Hydraulic Pumps	M&HCV, LCV, SCV, UV, PC
Guduvanchery (Chennai)	Hydraulic Power Steering Gears	SCV, UV, PC
Singaperumal Kovil (Chennai)	Air Bags, Seat Belts & Reservoir	PC, SCV, LCV, MCV, HCV
Uttarakhand	Steering Gears and Pumps	M&HCV, LCV, SCV



**Hydraulic Power Rack &
Pinion Steering Gear Assembly**



Power Steering Gear Assembly



Power Steering Pump Assembly



Air bags for Passenger cars



Seat Belts & Reservoir



**Automatic Control Retractor (ACR)
Buckle Pretensioner**

RTSS: Major Customers

Commercial Vehicles



Utility Vehicles



ISUZU



Passenger Cars



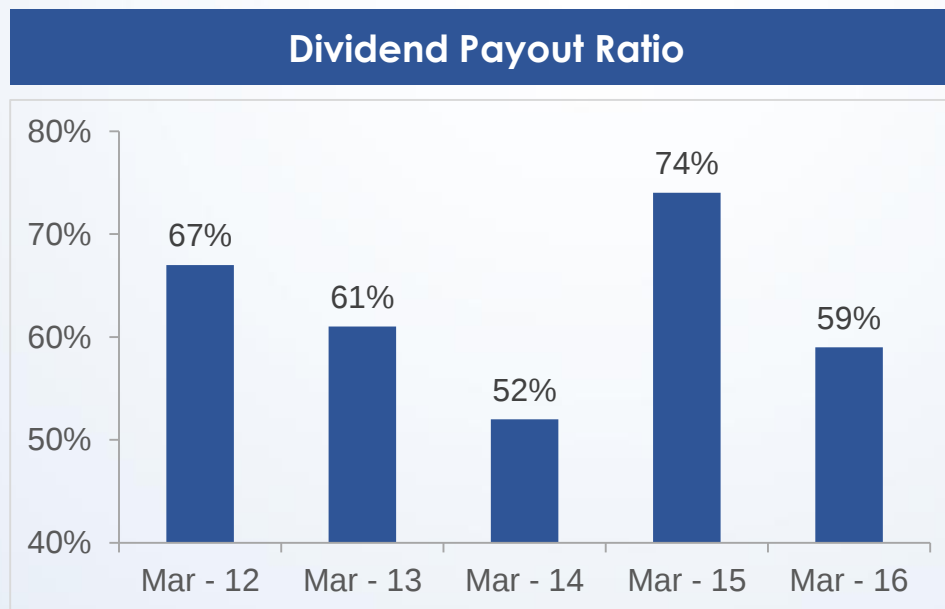
RTSS: Key Financials

Rs Cr	2012	2013	2014	2015	2016
Net Sales	619.6	630.9	590.1	625.9	706.8
% growth	8.8%	1.8%	(6.5%)	6.1%	12.9%
Op. EBITDA	92.1	67.6	50.0	66.2	81.3
% growth	8.2%	(26.5%)	(26.1%)	32.4%	22.9%
PBT Before Exceptional Items	72.7	44.3	24.5	41.0	53.6
Exceptional (Expenses) / Income	-	-	-	(0.9)*	(2.1)*
PBT	72.7	44.3	24.5	40.1	51.6
PAT	48.9	33.2	19.8	28.4	35.9
% growth	(4.1%)	(32.0%)	(40.5%)	43.7%	26.2%
Op. EBITDA%	14.9%	10.7%	8.5%	10.6%	11.5%
PAT%	7.9%	5.3%	3.4%	4.5%	5.1%

* VRS Expenses

RTSS: Ratios and Return

	2012	2013	2014	2015	2016
Debt:Equity	0.12	0.24	0.22	0.20	0.19
RoCE%	40.3%	20.8%	11.1%	17.3%	20.8%
EPS (Rs.)	56.0	38.0	22.6	32.5	41.1
DPS (Rs.)	32.5	20.0	10.0	20.0	20.0
BV (Rs.)	217.1	231.8	243.1	248.2	265.2



Rane NSK Steering Systems Pvt. Ltd.

(RNSS)

Profile

- › Manufacture of Electrical Power Steering (EPS), Manual Steering Columns (MSC) and Intermediate Shafts & Joints
- › Joint venture with NSK, Japan
- › Preferred OE partner to major Passenger Vehicle & Commercial Vehicle manufacturers

Production Plants :

Company has three plants in the following locations

Location	Products	Customer Segments
Chennai	Manual Steering Columns & I Shafts	PC/MUV, SCV/LCV/MCV/HCV
Bawal	Electric Power Steering	PC/MUV
Uttarakhand	Manual Steering Columns & I Shafts	SCV/MCV/HCV

PC – Passenger Car

SCV – Small Commercial Vehicle

LCV – Light Commercial Vehicle

MCV – Medium Commercial Vehicle

MUV – Multi Utility Vehicle

HCV – Heavy Commercial Vehicle



Electric Power Steering Columns



Solid Steering Columns



Energy Absorbing & Collapsible Columns



Tilt & Telescopic Steering Columns

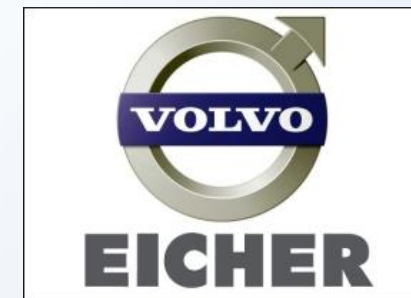
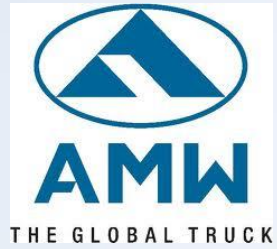


Intermediate Shafts



Universal Joint Assemblies

RNSS: Major Customers



RNSS: Key Financials

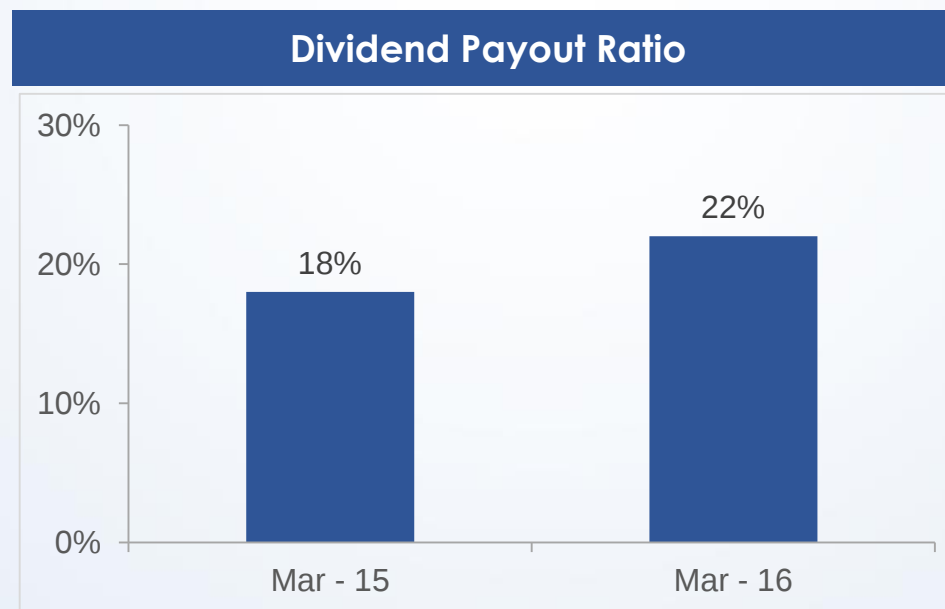
Rs Cr	2012	2013	2014	2015	2016
Net Sales	308.2	572.6	523.7	623.0	766.4
% growth	74.3%	85.8%	(8.5%)	19.0%	23.0%
Op. EBITDA	18.9	58.6	55.1	71.6	90.1
% growth	344.2%	210.4%	(6.0%)	29.9%	25.8%
PBT Before Exceptional Items	5.4	36.3	27.8	42.8	53.6
Exceptional (Expenses) / Income	-	-	(4.8)**	1.7*	-
PBT	5.4	36.3	23.0	44.5	53.6
PAT	5.4	24.9	14.1	29.6	39.6
% growth	195.9%	361.0%	(43.4%)	109.6%	34.0%
Op. EBITDA%	6.1%	10.2%	10.5%	11.5%	11.8%
PAT%	1.8%	4.4%	2.7%	4.7%	5.2%

* Insurance claim receivable, reversal of excess provision for product recall and VRS expenses

** Provision for voluntary recall of products

RNSS: Ratios and Return

	2012	2013	2014	2015	2016
Debt:Equity	1.43	0.72	0.86	1.10	0.97
RoCE%	14.9%	46.1%	29.0%	29.0%	27.1%
EPS (Rs.)	3.0	13.9	7.9	16.5	22.1
DPS (Rs.)	0.0	0.0	0.0	2.5	4.0
BV (Rs.)	19.8	33.7	41.6	55.0	72.3



Rane Holdings Ltd.

(RHL)

RHL: Consolidated Financials

Rs Cr	2012	2013	2014	2015	2016
Net Sales	1,829.3	1,896.6	1,903.4	2,179.2	2,366.3
<i>% growth</i>	<i>15.1%</i>	<i>3.7%</i>	<i>0.4%</i>	<i>14.5%</i>	<i>8.6%</i>
Op. EBITDA	213.0	170.5	198.0	221.0	230.5
<i>% growth</i>	<i>17.5%</i>	<i>(19.9%)</i>	<i>16.1%</i>	<i>11.6%</i>	<i>4.3%</i>
PBT Before Exceptional Items	129.7	77.5	89.7	91.6	95.9
Exceptional (Expenses) / Income	12.0	(0.7)	(52.1)	41.7	13.4
PBT	141.7	76.8	37.6	133.3	109.3
PAT	101.4	48.9	45.0	96.2	77.7
PAT after MI and P/L from Asso. Cos.	71.7	38.4	43.4	70.9	65.5
<i>% growth</i>	<i>2.6%</i>	<i>(46.4%)</i>	<i>13.1%</i>	<i>63.3%</i>	<i>(7.6%)</i>
Op. EBITDA%	11.6%	9.0%	10.4%	10.1%	9.7%
Net Profit %	3.9%	2.0%	2.3%	3.3%	2.8%

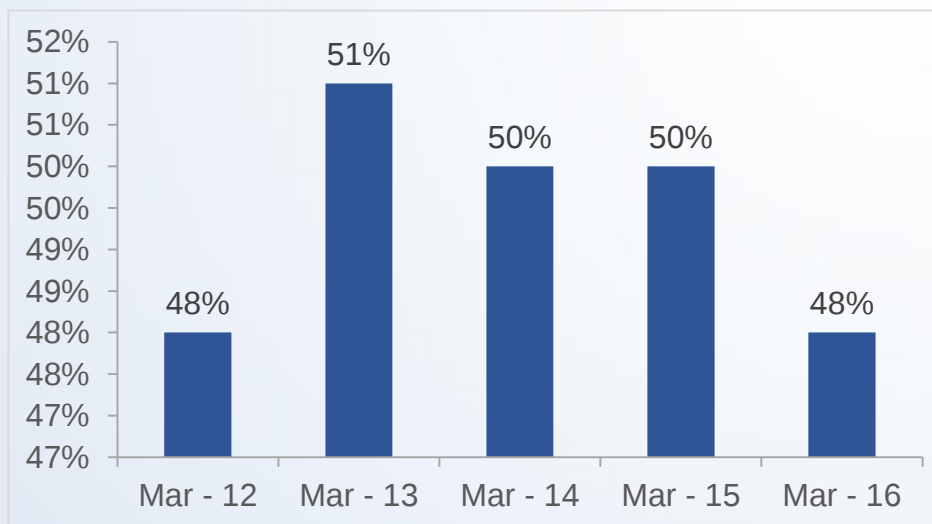
RHL: Balance Sheet - Highlights

Rs Cr	2012	2013	2014	2015	2016
Networth	427.5	450.9	478.3	544.1	590.8
Minority Interest	162.7	165.1	158.8	193.0	190.9
Total Debt	373.1	387.9	428.7	469.7	595.7
Net Block	698.0	748.1	774.3	864.4	1,000.7
Investments	21.7	16.7	26.5	31.9	28.2
Debt : Equity	0.87	0.86	0.90	0.86	1.01
Debt/OP. EBITDA	1.75	2.27	2.17	2.13	2.58

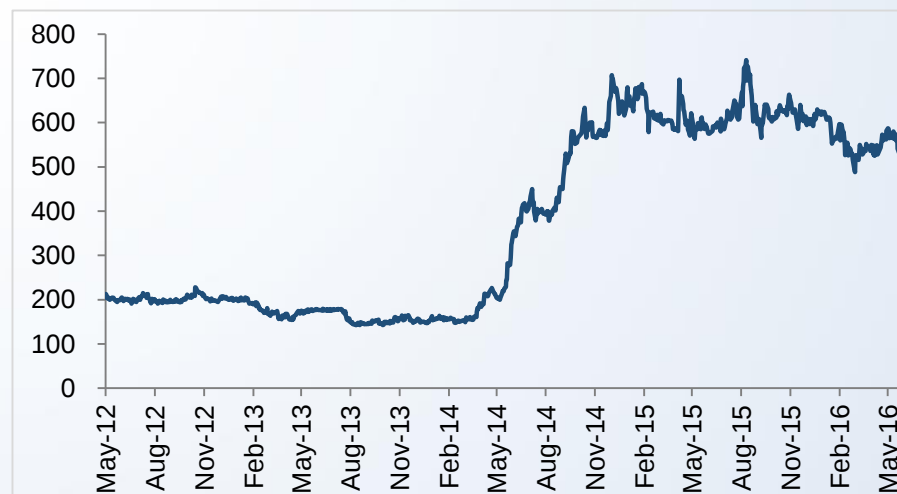
RHL: Consolidated Ratios and Return

	2012	2013	2014	2015	2016
RoCE%	18.0%	11.6%	12.6%	11.9%	10.7%
EPS (Rs.)	50.2	26.9	30.4	49.7	45.9
DPS (Rs.)	10.0	8.0	6.5	7.5	10.0
BV (Rs.)	299.5	315.8	335.0	381.1	413.8

Dividend Payout Ratio



Share Price Chart



Glossary of Abbreviations

Abbreviation	Expansion
ACMA	Automotive Component Manufacturers Association
AP	Andhra Pradesh
BV	Book Value
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CoP	Conformity of Production
CSR	Corporate Social Responsibility
CV	Commercial Vehicles
DPS	Dividend Per Share
EPS	Earnings Per Share/Electric Power Steering
EU	European Union
FT	Farm Tractors
FY	Financial Year
HCV	Heavy Commercial Vehicles
INR	Indian Rupee
JV	Joint Venture
LCV	Light Commercial Vehicles
LTS	Long Term Settlement
MCV	Medium Commercial Vehicles
MI	Minority Interest
MPV	Multi Purpose Vehicles
MSC	Manual Steering Column
MUV	Multi Utility Vehicles

Abbreviation	Expansion
M&HCV	Medium & Heavy Commercial Vehicles
NAO	Non Asbestos Organic
NOC	No Objection Certificate
NPD	New Product Development
NVH	Noise Vibration & Harness
Op. EBITDA	Earnings Before Interest, Tax and Depreciation & Amortisation from Operations
OE	Original Equipment
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier
PAT	Profit After Tax
PBT	Profit Before Tax
PC	Passenger Car
P&L	Profit & Loss
R&D	Research & Development
RM	Raw materials
ROCE	Return on Capital Employed
SCV	Small Commercial Vehicles
TN	Tamil Nadu
TPM	Total Productivity Management
UV	Utility Vehicles
VA/VE	Value Added / Value Engineering
VRS	Voluntary Retirement Scheme
2W/3W	Two Wheeler/Three Wheeler

This presentation contains certain forward looking statements concerning Rane's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, government policies and action with respect to investments, fiscal deficits, regulations etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statement become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.